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HOW TO PRESERVE INDONESIAN SOCIALISM

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HOW TO PRESERVE INDONESIAN SOCIALISM

- Liberalization Could Easily Become a Permanent Policy
- Hyperinflation Could Easily Make the Development of Socialism a Failure

/The following is a full translation of an article written by Mohammed Sadli appearing in Pedoman, Djakarta, 18 May 1960, pages 1 and 2./

At the present time, it seems that the Government shares the opinion of others that it would be better to go one or two steps backward rather than to face economic stagnation, which is very critical as a result of socialization efforts. It is known that Indonesian socialism in its present form is a creature of President Sukarno. It has become a part of his program in his Political Manifesto.

In Sukarno's program large economic as well as commercial fields will be socialized and taken over by state enterprises and cooperatives. Almost no place will be granted to private enterprise in this field. We have been observing the experiment from the very beginning. Many difficulties have arisen. Government commercial enterprises and cooperatives generally do not have adequate capital and ability to take over the wholesale distribution of commodities and recent socialization efforts have stagnated the flow of goods. In addition, the increasing inflationary pressure and the import policy (on a high administrative level) which is so complicated, do not at all facilitate the socialization process; on the contrary, they make it more difficult.

Anyone who sympathizes with the goal of socialism will feel very much concerned about the road that is presently being followed toward socialism. If the road is not a good one an accident could happen to our vehicle and we might not be able to reach our destination. Or, if the driver should become discouraged as he realizes the chosen road is a very difficult one, his passengers might advise him to go back to the starting point.

Backward Movement

At the present time, this backward movement begins to show itself it is beautifully named the "New Economic Policy" in accordance with the policy of Lenin, who in 1924 faced almost the same impasse as we do now in his strife towards socialism. Lenin's NEP was characterized by liberalisation of socialisation policy so as to adjust it to the objective situation which did not permit him to follow a radical method.

What then are the restraining factors that hamper a consistent socialisation process?

In the first place there is the absence of monetary equilibrium on account of huge Government expenses on security and economic development. Expenditure on security is the largest.

In the second place, the Government agencies and cooperatives do not have sufficient experience to fulfill their tasks.

Third, there is confusion in the Government's basic economic and financial policy which is often characterized by the trial and error methods.

Fourth, private funds and forces are not properly thrown into gear so that investors themselves feel discouraged and have no inclination to take part in economic development. They merely act for their own safety.

Fifth, there is complication in political structure and political parties so that the goal of socialism is often not sincerely adhered to; some groups even do not know where they are going. Because of this political situation, the socialistic program does not have the support of a strong and sincere political movement, but instead derives the source of its authority from President Sukarno himself. In practice, this socialism has been dragged to the left and to the right. The left attempts to convert it into communism while the right tries to give it a liberal interpretation.

Amidst this confusion it seems that the Government wants to go one or two steps backward. If this backward movement is a well-planned NEP, the execution of which is accompanied by conviction and strong leadership, then such a policy should be supported. What we want to know is what are the requirements for the successful execution of such a NEP?

The goal of Indonesian Socialism. One of the weaknesses in the effort towards socialism is that the concept of Indonesian socialism and its goals have never been explicitly stated. Its negative aspects are more known, namely, that Indonesian socialism is anti-capitalism, anti-imperialism, anti-individualism, anti-parliamentary democracy, etc. Its positive aspects such as the collective effort and national personality are still much too vague to take hold.

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Usually socialism has several goals, all of them requiring the development of man and mankind. In education, socialism demands that there should be equal opportunity for every citizen without regard to their status. Poor financial background should not be a hindrance to his opportunity. In the social field, socialism requires equal status for all the members of the community. Horizontal and vertical social mobility should not be hindered by a still social structure. Furthermore, it requires equal income distribution. In production, socialism requires that production should be for the interest of the whole community and not be allowed to lead to monopoly which disregards the interests of the consumer and labor. In politics, socialism requires freedom from fears, freedom of expression. It does not want dictatorial structure in any form for in a rigid political structure, man will not be able to develop all his talents.

Complete State appropriation of means of production is not an absolute goal of socialism although from a strategic point of view it could be very important. We doubt whether a hasty appropriation of means of production and distribution, complicated by a hyperinflation like the one we are experiencing now in our country, is indeed the best way toward socialism. Inflation and the lack of social discipline among Government agencies will inevitably lead to highly centralized administrative power which is usually used for anti-social purposes such as corruption, etc.

Risks of the New Economic Policy

The risk of this N.E.P. is that in practice it could lead to a destination which may be a deviant from socialism. In other words, the backward movement will become permanent. Why?

First, most of the personnel now charged with the socialization program are not socialists. They might become discouraged because their efforts have failed. Secretly they will be happy to go back to the starting point.

Second, different vested interests from the right-wing group will take advantage of this low morale to prove that socialism could not yet be applied to Indonesia. As they do not have the courage to put forth their views frankly, they will demand that the execution of socialism should be in accordance with their own liberal interpretation.

Thus NEP can become a permanent guide based on a socialism which could be subject to very liberal interpretation. For instance, by yielding more to existing rights and customs socialism will acquire an aspect of status-quo-ism, which means a very slow socialism. If the practice

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of socialism is not allowed to interfere with existing rights of inheritance, the right of parents to educate their children in the way they wish, the absolute right of an individual to choose his occupation, it means the recognition of the right of the private entrepreneur to choose his own field of endeavor. If socialization and collectivization of different aspects of life, be it social or economic, can only be carried out on the basis of political agreement, would give in practice a very evolutionary character to socialism.

India is experiencing the same situation. Private enterprise ceaselessly accuses State enterprises of inefficiency of Government withdrawal of private savings for inefficient investment. The land-reform program is only good on paper, the execution of which is very difficult because of the influence of the landlords. The goal of social mobility still remains as an ideal as the influence of the castes is still very great, etc. Despite all this the parliament of India has officially changed over to Socialism ever since 1953.

How to Save Indonesian Socialism?

Three positive and two negative factors must be present. The three positive factors we need for the development of socialism are: conviction, a well scrutinized plan in political as well as economic fields, and a strong movement or party which will wathc over and pioneer its execution. And the two needed negative factors are: no strong inflationary pressures and no severe domestic conflicts.

At the present time almost none of these factors is available. That is why the socialization process has become very difficult. Should we postpone the process and try first to establish these factors? Of course not. Conviction, plan, and movement do not stand apart from each other. We really have to start with a conviction -- that socialism is the best road toward a just and prosperous society. For intellectuals this conviction must be realized rationally. For non-intellectuals this conviction could take the form of charismatic confidence in some parties or personalities such as President Sukarno and Dr. Hatta. This conviction must be strengthened by a realistic and well-defined policy and program which will give its followers the confidence that the ideal could really be reached with a program of action. This program is important especially for cadres who already think rationally. A statement of principles and a realistic program could become a platform for parties and movements that are willing to support the goal of socialism.

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The Political Manifesto has become a program and a platform, but it seems to be not sufficiently realistic to ensure fully the success of the action-program.

The New Economic Policy needs a new program or platform that is more realistic. In this program the process of socialization in the transition period must be determined realistically. For instance, within a period of three or five years the Government will gradually socialize or appropriate four important economic sectors: heavy and vital industries, a part of transportation, international trade, and a large share of financial institutions. The fields, to be left to private enterprise should be clearly stated so that each affected group could adjust themselves to it. Policy on all foreign capital needs also to be clearly stated; and the same for policy on inflation and national security.

All these things require able thinkers and a very good braintrust. The execution of NEP on the basis of ad hoc thinking will fail to secure socialism. But in Indonesia, socialism is not the monopoly of any party that happens to be in power. Then what is the best way to create a good braintrust among the parties that are willing to support socialism? There is yet no answer to this question. Readers are invited to think about it.

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